

Exhibit A - Part 1

PLANO, TEXAS

LEASE

between

CIRCUIT CITY STORES, INC.,

as Tenant

and

PARKER CENTRAL PLAZA, LTD.,

as Landlord

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al., J. Biol. Chem. 267:11104-11110 (1992); Polley et al., Proc. Natl. Acad. Sci. USA 88:6224-6228 (1991)).

P-selectin, E-selectin, and L-selectin mediate the first leukocyte-endothelial cell and platelet-leukocyte adhesive interactions during inflammation (Bevilacqua et al., 1993, *supra*).

5 All three selectins have been demonstrated to participate in an initial "rolling" interaction of leukocytes with activated endothelium (von Andrian et al., Proc. Natl. Acad. Sci. USA 88:7538-7542 (1991); Ley et al., Blood 77:2553-2555 (1991); Abassi et al., J. Clin. Invest. 92:2719-2730 (1993); Dore et al., Blood 82:1308-1316 (1993); Jones et al., Biophys. J. 65:1560-1569 (1993); Mayadas et al., Cell 74:541-554 (1993)). P-selectin, expressed on activated platelets and endothelial cells, binds to cell surface proteins on most leukocytes (McEver et al., J. Biol. Chem. 250:9799-9804 (1984); Hsu-Lin et al., J. Biol. Chem. 264:8121-9126 (1984)). E-selectin, expressed on cytokine-activated endothelial cells (e.g., after TNF-alpha or IL-1 stimulation for 6-8 hours) binds to cell surface proteins on most leukocytes (McEver et al., J. Clin. Invest. 100:485-492 (1997); Bevilacqua et al., 1987, *supra*; Bevilacqua et al., 1989, *supra*). L-selectin, expressed on most leukocytes, binds to cell surface proteins on some endothelial cells and on other leukocytes (Gallatin et al., Nature 304:30-34 (1983); Berg et al., Immunol. Rev. 108:5-18 (1989); Berg et al., J. Cell. Biol. 114:343-349 (1991), Hallman et al., Biochem. Biophys. Res. Comm. 174:236-243 (1991); Smith et al., J. Clin. Invest. 87:609-618 (1991); Spertini et al., J. Immunol. 147:2565-2573 (1991)). All three selectins have been shown to bind to a cell surface protein, PSGL-1, whose expression is largely limited to leukocytes, and in particular T cells and NK cells. Posttranslational modifications of PSGL-1 are required for binding to P-selectin, E-selectin, and L-selectin (McEver et al., J. Clin. Invest., 1997, *supra*).

25

Summary of the Invention

The invention is based on the discovery that T cells can be depleted and/or induced to undergo apoptosis by the engagement of the T cell surface antigen P-Selectin Glycoprotein Ligand-1 (PSGL-1). T cell depletion can be particularly useful for the treatment of conditions associated with an excessive or unwanted T cell-mediated immune response or excessive or unwanted T cell proliferation. For example, the depletion of T cells can cause the reduction or elimination of undesirable T cell activity or proliferation

associated with inflammatory diseases, autoimmune diseases, transplant rejection, allergic diseases, and/or T cell-derived cancers. The invention encompasses methods of using modulators of PSGL-1 function to prevent or reduce a T cell-mediated immune response as well as methods of screening for modulators of PSGL-1 function.

5 In one aspect, the invention features a method of preventing or reducing a T cell-mediated immune response in an individual. The method includes the following steps: selecting an individual diagnosed as having or as being at risk of acquiring a condition characterized by an excessive or unwanted T cell-mediated immune response; and administering to the individual a compound that binds to PSGL-1 on the surface of a T cell, 10 wherein the binding of the compound to PSGL-1 on the surface of the T cell induces a signal transduction pathway that results in the death of the T cell, thereby preventing or reducing a T cell-mediated immune response in the individual.

15 The compound used in such a method can include an antibody or antigen binding fragment thereof that specifically binds to PSGL-1. In one example, the compound is a monoclonal antibody that specifically binds to PSGL-1. In one embodiment, the method includes an additional step of administering an agent that binds to the monoclonal antibody and induces the cross-linking of a plurality of PSGL-1 antigens on the surface of the T cell.

20 In some embodiments, the method includes inducing the cross-linking of a plurality of PSGL-1 antigens on the surface of the T cell, wherein the cross-linking induces the signal transduction pathway that results in the death of the T cell.

25 In some embodiments, the method includes the following steps: (i) selecting an individual diagnosed as having or as being at risk of acquiring a condition characterized by an excessive or unwanted T cell-mediated immune response; and (ii) administering to the individual a multimeric compound that binds to at least two PSGL-1 proteins on the surface of a T cell, wherein the multimeric compound contains two polypeptide chains, each of the polypeptide chains including (a) a binding domain that binds to PSGL-1, and (b) a heterologous amino acid sequence, wherein the polypeptide chains are linked via the heterologous amino acid sequence to form the multimeric compound, and wherein the binding of the multimeric compound to the at least two PSGL-1 proteins on the surface of the 30 T cell induces a signal transduction pathway that results in the death of the T cell, thereby preventing or reducing a T cell-mediated immune response in the individual.

The multimeric compound can be a homo-multimeric compound or a hetero-multimeric compound. The binding domain can optionally contain a P-Selectin extracellular domain or a PSGL-1-binding fragment thereof, an E-Selectin extracellular domain or a PSGL-1-binding fragment thereof, an L-Selectin extracellular domain or a PSGL-1-binding fragment thereof, an anti-PSGL-1 antibody or a PSGL-1-binding fragment thereof, a PSGL-1 binding polypeptide selected from a phage display library, or a combination of any of the above.

5 In certain embodiments, the multimeric compound does not include an anti-PSGL-1 antibody or an antibody fragment that binds to PSGL-1.

10 The heterologous amino acid sequence can optionally contain a cell surface receptor binding region, e.g., an immunoglobulin heavy chain constant region. In some embodiments, the polypeptide chains are covalently linked, e.g., disulfide linked, via the heterologous amino acid sequence to form the multimeric compound.

15 In certain embodiments, the method can include an additional step of administering to the individual an agent that binds to the multimeric compound via the heterologous amino acid sequence and induces cross-linking of a plurality of PSGL-1 antigens on the surface of the T cell.

20 In some embodiments, a method described herein includes a step of selecting an individual diagnosed as having an autoimmune disease. In another example, the method includes a step of selecting an individual diagnosed as having an inflammatory disease. In another example, the method includes a step of selecting an individual that has received or is expected to receive an allogeneic or xenogeneic transplant. In another example, the method includes a step of selecting an individual diagnosed as having an allergic disease. In another example, the method includes a step of selecting an individual diagnosed as having a T cell cancer.

25 In some embodiments, the T cell is an activated T cell. In one example, the T cell is a CD4+ T cell. In another example, the T cell is a CD8+ T cell.

30 In some embodiments, the method includes a step of detecting the number of T cells in a first biological sample taken from the individual before the administration of the compound (e.g., a multimeric compound) and comparing the results with the number of

T cells in a second biological sample taken from the individual after the administration of the compound (e.g., a multimeric compound).

In some embodiments, the method includes a step of detecting a biological activity of T cells in a first biological sample taken from the individual before the administration of the compound (e.g., a multimeric compound) and comparing the results with the biological activity of T cells in a second biological sample taken from the individual after the administration of the compound (e.g., a multimeric compound).

In some embodiments, the administration results in the depletion of at least 10% of activated T cells in the individual. In some embodiments, the administration results in the depletion of at least 10%, 20%, 30%, 40%, 50%, or more of the activated T cells in the individual.

In some embodiments, the antibody or antigen binding fragment thereof or the multimeric compound induces the death of at least 10% of activated T cells in the individual after exposure to the antibody or antigen binding fragment thereof or the multimeric compound. In some embodiments, the administration induces the death of at least 10%, 20%, 30%, 40%, 50%, or more of the activated T cells in the individual. Cell death can be measured at any time, e.g., one, two, three, four, five, six, seven ,or more days after exposure to the antibody or antigen binding fragment thereof or the multimeric compound.

In another aspect, the invention features a method of inducing the death of a T cell or a natural killer (NK) cell. The method includes the steps of: providing a T cell or NK cell expressing PSGL-1 on its cell surface; and contacting the T cell or NK cell with a compound that binds to PSGL-1 on the surface of the T cell or NK cell, wherein the binding of the compound to PSGL-1 on the surface of the T cell or NK cell induces a signal transduction pathway that results in the death of the T cell or NK cell.

The compound used in such a method can include an antibody or antigen binding fragment thereof that specifically binds to PSGL-1. In one example, the compound is a monoclonal antibody that specifically binds to PSGL-1. In one embodiment, the method includes a step of contacting the monoclonal antibody with an agent that binds to the monoclonal antibody and induces the cross-linking of a plurality of PSGL-1 antigens on the surface of the T cell or NK cell.

In one embodiment, the method includes the following steps: (i) providing a T cell or NK cell expressing PSGL-1 on its cell surface; and (ii) contacting the T cell or NK cell with a multimeric compound that binds to at least two PSGL-1 proteins on the surface of the T cell or NK cell, wherein the multimeric compound contains two polypeptide chains, each of the polypeptide chains including (a) a binding domain that binds to PSGL-1, and (b) a heterologous amino acid sequence, wherein the polypeptide chains are linked via the heterologous amino acid sequence to form the multimeric compound, wherein the binding of the multimeric compound to the at least two PSGL-1 proteins on the surface of the T cell or NK cell induces a signal transduction pathway that results in the death of the T cell or NK cell.

The multimeric compound can be a homo-multimeric compound or a hetero-multimeric compound. The binding domain can optionally contain a P-Selectin extracellular domain or a PSGL-1-binding fragment thereof, an E-Selectin extracellular domain or a PSGL-1-binding fragment thereof, an L-Selectin extracellular domain or a PSGL-1-binding fragment thereof, an anti-PSGL-1 antibody or a PSGL-1-binding fragment thereof, a peptide selected from a phage display library, or a combination of any of the above.

The heterologous amino acid sequence can optionally contain a cell surface receptor binding region, e.g., an immunoglobulin heavy chain constant region. In some embodiments, the polypeptide chains are covalently-linked, e.g., disulfide-linked, via the heterologous amino acid sequence to form the multimeric compound.

In some embodiments, the method includes an additional step of contacting the multimeric compound with an agent that binds to the multimeric compound via the heterologous amino acid sequence and induces cross-linking of a plurality of PSGL-1 antigens on the surface of the T cell.

In some embodiments, the method includes a step of inducing the cross-linking of a plurality of PSGL-1 antigens on the surface of the T cell or NK cell, wherein the cross-linking induces the signal transduction pathway that results in the death of the T cell or NK cell.

In some embodiments of methods described herein, the T cell is an activated T cell. In one example, the T cell is a CD4+ T cell. In another example, the T cell is a CD8+ T cell.

In some embodiments of methods described herein, the method includes a step of assessing the viability of the T cell or NK cell after the contacting with the compound (e.g., a multimeric compound).

5 In some embodiments of methods described herein, the method includes a step of assessing a biological activity of the T cell or NK cell after the contacting with the compound (e.g., a multimeric compound).

In some embodiments, the method includes inducing the death of an activated T cell.

10 In another aspect, the invention features a method of screening for a modulator of PSGL-1 function. The method includes the steps of: providing a cell expressing PSGL-1 on the surface of the cell; contacting the cell with a test substance; and measuring the viability of the cell after contacting the cell with the test substance to thereby determine if the test substance is a modulator of PSGL-1 function.

15 In one embodiment, the method includes the step of detecting the death of the cell induced by the test substance to thereby determine that the test substance is a modulator of PSGL-1 function.

20 In one embodiment, the test substance is an antibody or antigen binding fragment thereof that specifically binds to PSGL-1. In one example, the test substance is a monoclonal antibody that specifically binds to PSGL-1. In one embodiment, the method includes the step of contacting the monoclonal antibody with an agent that binds to the monoclonal antibody and induces the cross-linking of a plurality of PSGL-1 antigens on the surface of the cell.

In one embodiment, the method includes the step of inducing the cross-linking of a plurality of PSGL-1 antigens on the surface of the cell, wherein the cross-linking induces the signal transduction pathway that results in the death of the cell.

25 In one embodiment, the T cell is an activated T cell. In one example, the T cell is a CD4+ T cell. In another example, the T cell is a CD8+ T cell.

In one embodiment, the method includes the step of manufacturing bulk quantities of the test substance and formulating the test substance in a pharmaceutically acceptable carrier.

30 In another aspect, the invention features a kit containing: a compound that binds to PSGL-1 on the surface of a T cell, wherein the binding of the compound to PSGL-1 on the surface of the T cell induces a signal transduction pathway that results in the death of the T cell; and instructions for use of the compound to treat a condition associated with an

excessive or unwanted T cell mediated immune response or excessive or unwanted T cell proliferation such as inflammation, autoimmunity, transplant rejection, an allergic condition, or a T cell cancer.

5 In one embodiment, the kit contains: (i) a multimeric compound that binds to at least two PSGL-1 proteins on the surface of a T cell, wherein the multimeric compound contains two polypeptide chains, each of the polypeptide chains including (a) a binding domain that binds to PSGL-1, and (b) a heterologous amino acid sequence, wherein the polypeptide chains are linked via the heterologous amino acid sequence to form the multimeric compound, wherein the binding of the multimeric compound to the at least two PSGL-1 10 proteins on the surface of the T cell induces a signal transduction pathway that results in the death of the T cell; and (ii) instructions for use of the compound to treat a condition associated with an excessive or unwanted T cell mediated immune response or excessive or unwanted T cell proliferation such as inflammation, autoimmunity, transplant rejection, an allergic condition, or a T cell cancer.

15 An advantage of the invention is that it can induce the depletion of T cells and/or the induction of apoptosis in T cells without causing an associated unwanted or harmful immune response. For example, in some embodiments the administration to an individual of an anti-PSGL-1 antibody or a multimeric compound described herein does not result in an unwanted elevation in the levels of inflammatory cytokines such as IL-2 or TNF-alpha.

20 Another advantage of the invention is that it causes the depletion of T cells by the use of agonistic compositions that induce apoptosis of T cells. Accordingly, the invention provides for active immunosuppressive methods rather than passive immunosuppression that results from using antagonistic compositions (e.g., antagonistic anti-PSGL-1 antibodies or antagonistic soluble selectin fragments) that act by binding immune receptors and preventing 25 immune activation mediated by such receptors.

Another advantage of the invention is that it allows for the targeting of a cell surface 30 protein, PSGL-1, whose expression is largely limited to leukocytes, and in particular T cells and NK cells. Therefore, the compounds described herein generally do not induce significant levels of apoptosis of other cell types such as liver cells. The targeting of T cells and NK cells (an important CD3⁻ cell type involved in transplantation rejection) for selective

depletion, without significantly inducing life-threatening systemic cytokine responses and damaging other organ systems, is a desired characteristic of an immunosuppressive agent.

Unless otherwise defined, all technical and scientific terms used herein have the same meaning as commonly understood by those of ordinary skill in the art to which this invention 5 belongs. Although methods and materials similar or equivalent to those described herein can be used in the practice or testing of the invention, suitable methods and materials are described below. All publications, patent applications, patents, and other references mentioned herein are incorporated by reference in their entirety. In case of a conflict in terminology, the present specification will control. In addition, the described materials and 10 methods are illustrative only and are not intended to be limiting.

Other features and advantages of the invention will be apparent from the following detailed description and the claims.

Brief Description of the Drawings

15 Fig. 1 depicts the results of a time-course experiment that investigated when activated T cells acquire sensitivity to TAB4 (an anti-PSGL-1 monoclonal antibody)-mediated apoptotic signals.

Fig. 2 depicts the results of cell surface biotinylation and immunoprecipitation of the antigen recognized by the TAB4 antibody.

20 Fig. 3 depicts the expression of the PSGL-1 antigen on spleen CD4+ T cells, CD8+ T cells, CD19+ B cells, and NK cells.

Fig. 4 depicts the expression of the PSGL-1 antigen on CD4⁺, CD8⁺, and CD4⁺8⁺, and CD4⁻8⁻ thymocytes.

25 Fig. 5 depicts the levels of IL-2 produced in mixed lymphocyte culture using spleen cells isolated from TAB4 (or hamster Ig)-treated Balb/c mice as the responders and H2-mismatched C3H spleen cells as the stimulator.

30 Fig. 6 depicts western blot analyses demonstrating that (A) proteins immunoprecipitated with the TAB4 antibody can be recognized by a commercially available anti-PSGL-1 antibody and (B) preclearing of T cell lysate with anti-PSGL-1 antibody can deplete the proteins recognized by the TAB4.

Fig. 7 depicts the percentage of surviving grafts in C57BL/6 mice that received a skin graft from Balb/c mice and were treated with an anti-PSGL-1 antibody (closed diamond) or a control antibody (open square).

5 Fig. 8 depicts the time course of the percentage of apoptotic T cells following the treatment of activated human peripheral blood mononuclear cells with an anti-human PSGL-1 antibody.

Fig. 9 depicts the incidence of diabetes in autoimmune non-obese diabetic (NOD) male mice that were treated with anti-PSGL-1 antibody (closed square) or a control antibody (open square).

10 Fig. 10 depicts the binding of mouse P-selectin, E-selectin, and L- selectin to mouse activated T cells.

Figs. 11A-11C depict the induction of apoptosis of mouse activated T cells by multimeric forms of E-selectin (Fig. 11A), P-selectin (Fig. 11B), and L-selectin (Fig. 11C).

15 Fig. 12 depicts the induction of apoptosis of mouse activated T cells *in vitro* by the cross-linking of a soluble P-selectin-Fc fusion protein.

Detailed Description

The invention is directed to methods of modulating T cell activity by modulating the function of PSGL-1 molecules residing on the surface of a T cell. Engagement of PSGL-1 with agonist compositions described herein can cause the depletion of T cells and/or induce T cells to undergo apoptosis. These agonist compositions are therefore useful as therapeutic agents for controlling immune-related conditions such as inflammatory diseases, autoimmune diseases, transplant rejection, allergic diseases, and/or T cell-derived cancers. The agonist compositions are also useful in causing the depletion of T cells from any biological sample where the presence or activity of T cells is not desired.

PSGL-1 Protein

PSGL-1 is a cell surface adhesion molecule that is expressed on neutrophils, T and B-lymphocytes, NK cells, monocytes, dendritic cells, and primitive human CD34 hematopoietic progenitor cells. Through its ability to interact with selectins, PSGL-1 mediates the rolling of leukocytes on the endothelium and the extravasation of leukocytes into inflamed tissues.

PSGL-1-mediated binding of T cells to E- and P-selectin, or migration, is differentially regulated. For instance, the appearance of CLA (cutaneous lymphocyte antigen) epitope is thought to be induced on T cells undergoing naïve to memory transition. Only activated helper 1 but not helper 2 T cells express functional PSGL-1 and it capable of migration into the inflamed area of the skin.

PSGL-1 is a sialomucin that must be specifically sialylated, fucosylated, and sulfated to bind P-selectin. The PSGL-1 molecule exists in isoforms characterized by different degree of glycosylation and sulfation sites at their N-termini. Resting peripheral blood T and B cells, lymphoid cell lines, and *in vitro* activated peripheral blood T cells express similar level of PGSL-1. Yet, only activated T cells display a functional form of PSGL-1 and bind avidly to P-selectin. Such activation-dependent binding activity appears to be a result of differential post-translational modification, as suggested by elevated levels of alpha (1,3) fucosyltransferases activities in activated T cells. PSGL-1 isoforms also show differential affinity to L-selectin and E-selectin. For instance, human T cells exhibiting the CLA-positive isoform can tether and roll on both E- and P-selectin, while T cells expressing PSGL-1 without the CLA epitope only bind to P-selectin. Furthermore, binding of PSGL-1 to P-selectin is contingent upon the presence of the terminal decapeptide that contains three tyrosine residues for sulfation and one threonine residue for glycosylation.

A PSGL-1 protein can be prepared by recombinant methods and/or by isolating a native PSGL-1 protein from biological material. A recombinant PSGL-1 protein can be produced in prokaryotic or eukaryotic cells, either *in vitro* or *in vivo*. Nucleic acids encoding PSGL-1 can be used for recombinant production of the protein (see, e.g., GenBank+ Accession NM_003006 for an example of a nucleic acid encoding a PSGL-1 polypeptide). Antibodies directed to PSGL-1 are also well known and can be used for purification of the antigen (see, e.g., Herron et al. (2000) Science Jun 2;288(5471):1653-56; WO 00/25808) and/or used in methods described herein. PSGL-1 is further described in references including but not limited to Sako et al. (1993) Cell 75:1179; Vachino et al. (1995) J. Biol. Chem. 270:21966; and Veldman et al. (1995) J. Biol. Chem. 270:16470.

For recombinant production of PSGL-1, the simultaneous expression of both PSGL-1 and its modifying alpha (1,3) fucosyltransferase, Fuc-TVII, may be required for the functional expression of PSGL-1. In addition or alternatively, recombinant production of

PSGL-1 may be accompanied by co-transfection with a nucleic acid encoding PACE for removing the propeptide and/or a nucleic acid encoding tyrosine sulfotransferase.

An anti-PSGL-1 antibody can be used to isolate and purify a PSGL-1 antigen from biological material. Any cell type expressing a PSGL-1 protein, e.g., T cells derived from an individual or a T cell line, can be used as a source of the protein. Once purified, the protein can be used in a variety of methods as described herein. For example, the purified PSGL-1 protein can be used in an *in vitro* screen of modulators of PSGL-1 function on T cells or as an immunogen to prepare antibodies directed against the protein.

10 Anti-PSGL-1 Antibodies

PSGL-1 polypeptides (or immunogenic fragments or analogs thereof) can be used to generate antibodies useful in the methods of the invention. As described above, PSGL-1 polypeptides or peptide fragments thereof can be produced by recombinant techniques or synthesized using solid phase synthesis methods. The recombinant PSGL-1 polypeptides or a peptide fragment thereof can be used as an immunogen to produce anti-PSGL-1 antibodies. In addition, an anti-PSGL-1 antibody, such as the TAB4 monoclonal antibody, can be used to purify a PSGL-1 polypeptide, e.g., a PSGL-1 polypeptide in its natural conformation, which can then be used as an immunogen to produce additional anti-PSGL-1 antibodies.

An antibody of the invention can be a monoclonal, polyclonal, or engineered antibody that specifically binds to a PSGL-1 polypeptide. An antibody that "specifically binds" to a particular antigen, e.g., a PSGL-1 polypeptide, will not substantially recognize or bind to other molecules in a sample. Thus, the invention also features methods for identifying a test compound (e.g., an antibody) that binds to a polypeptide of the invention by contacting the polypeptide with a test compound and determining whether the polypeptide binds to the test compound (e.g., by direct detection of the binding, detection of a competitor molecule which disrupts binding of the test compound to the polypeptide, and/or detection of binding using an assay for apoptosis-inducing activity).

In general, PSGL-1 polypeptides can be coupled to a carrier protein, such as KLH, mixed with an adjuvant, and injected into a host mammal. Antibodies produced in that animal can then be purified by peptide antigen affinity chromatography.

In particular, various host animals can be immunized by injection with a PSGL-1 polypeptide or an antigenic fragment thereof. Commonly employed host animals include rabbits, mice, guinea pigs, and rats. Various adjuvants that can be used to increase the immunological response depend on the host species and include Freund's adjuvant (complete and incomplete), mineral gels such as aluminum hydroxide, surface active substances such as lysolecithin, pluronic polyols, polyanions, peptides, oil emulsions, keyhole limpet hemocyanin, and dinitrophenol. Potentially useful human adjuvants include BCG (bacille Calmette-Guerin) and Corynebacterium parvum. Polyclonal antibodies are heterogeneous populations of antibody molecules that are contained in the sera of the immunized animals.

Antibodies within the invention therefore include polyclonal antibodies and, in addition, monoclonal antibodies, humanized or chimeric antibodies, single chain antibodies, Fab fragments, F(ab')2 fragments, and molecules produced using a Fab expression library.

Monoclonal antibodies, which are homogeneous populations of antibodies to a particular antigen, can be prepared using the PSGL-1 polypeptides described above and standard hybridoma technology (see, for example, Kohler et al., *Nature* 256:495 [1975]; Kohler et al., *Eur J Immunol* 6:511 [1976]; Kohler et al., *Eur J Immunol* 6:292 [1976]; Hammerling et al., *Monoclonal Antibodies and T Cell Hybridomas*, Elsevier, N.Y. [1981]).

In particular, monoclonal antibodies can be obtained by any technique that provides for the production of antibody molecules by continuous cell-lines in culture such as described in Kohler et al., *Nature* 256:495 (1975), and U.S. Pat. No. 4,376,110; the human B-cell hybridoma technique (Kosbor et al., *Immunology Today* 4:72 [1983]; Cole et al., *Proc Natl Acad Sci USA* 80:2026 [1983]), and the EBV-hybridoma technique (Cole et al., *Monoclonal Antibodies and Cancer Therapy*, Alan R. Liss, Inc., pp. 77-96 [1983]). Such antibodies can be of any immunoglobulin class including IgG, IgM, IgE, IgA, IgD and any subclass thereof. The hybridoma producing the mAb of this invention may be cultivated in vitro or in vivo. The ability to produce high titers of mAbs in vivo makes this a particularly useful method of production.

Once produced, polyclonal or monoclonal antibodies are tested for specific PSGL-1 recognition by Western blot or immunoprecipitation analysis by standard methods, for example, as described in Ausubel et al., *supra*. Antibodies that specifically recognize and bind to PSGL-1 are useful in the invention. Anti-PSGL-1 antibodies that bind to the PSGL-1

antigen on the surface of a T cell, e.g., a CD3+ cell, and induce the depletion and/or apoptosis of T cells in an individual are particularly useful.

The antibodies can be used, for example, as part of a therapeutic regime (e.g., to reduce or eliminate an undesirable immune response, such as a T cell mediated immune response, associated with conditions such as inflammatory diseases, autoimmune diseases, transplant rejection, allergic diseases, and T cell-derived cancers). Antibodies also can be used in a screening assay to measure the ability of a candidate compound to bind to PSGL-1.

In addition, techniques developed for the production of "chimeric antibodies" (Morrison et al., Proc Natl Acad Sci USA 81:6851 [1984]; Neuberger et al., Nature 312:604 [1984]; Takeda et al., Nature 314:452 [1984]) by splicing the genes from a mouse antibody molecule of appropriate antigen specificity together with genes from a human antibody molecule of appropriate biological activity can be used. A chimeric antibody is a molecule in which different portions are derived from different animal species, such as those having a variable region derived from a murine monoclonal antibody and a human immunoglobulin constant region.

Alternatively, techniques described for the production of single chain antibodies (U.S. Pat. Nos. 4,946,778, 4,946,778, and 4,704,692) can be adapted to produce single chain antibodies against a PSGL-1 polypeptide, or a fragment thereof. Single chain antibodies are formed by linking the heavy and light chain fragments of the Fv region via an amino acid bridge, resulting in a single chain polypeptide.

Antibody fragments that recognize and bind to specific epitopes can be generated by known techniques. For example, such fragments include but are not limited to F(ab')2 fragments that can be produced by pepsin digestion of the antibody molecule, and Fab fragments that can be generated by reducing the disulfide bridges of F(ab')2 fragments. Alternatively, Fab expression libraries can be constructed (Huse et al., Science 246:1275 [1989]) to allow rapid and easy identification of monoclonal Fab fragments with the desired specificity.

Antibodies can be humanized by methods known in the art. For example, monoclonal antibodies with a desired binding specificity can be commercially humanized (Scotgene, Scotland; Oxford Molecular, Palo Alto, Calif.). Fully human antibodies, such as

those expressed in transgenic animals are also features of the invention (Green et al., *Nature Genetics* 7:13 [1994]; and U.S. Pat. Nos. 5,545,806 and 5,569,825).

Multimeric Compounds

5 Multimeric compounds that bind to a plurality of PSGL-1 proteins on the surface of a T cell or NK cell can be used to induce apoptosis in the cell. The multimeric compound contains at least two polypeptide chains. Each of the polypeptide chains contains (i) a binding domain that binds to PSGL-1, and (ii) a heterologous amino acid sequence.

10 In general, a multimeric compound binds to at least two different PSGL-1 proteins on the surface of a given cell. However, a multimeric compound can be formulated to have 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, or more distinct PSGL-1 binding domains, thereby causing the multimeric compound to bind to 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, or more different PSGL-1 proteins on the surface of a given cell.

15 A binding domain can contain any amino acid sequence (or any amino acid sequence with a modification such as, e.g., glycosylation and/or sulfation) that binds to PSGL-1. The binding domain can correspond to either a naturally occurring or a non-naturally occurring amino acid sequence. For example, a binding domain can contain the PSGL-1-binding domain of a selectin (e.g., P-selectin, E-selectin, or L-selectin). A polypeptide containing a PSGL-1-binding domain of a selectin can optionally include: (i) an extracellular domain of the selectin (e.g., P-selectin, E-selectin, or L-selectin); (ii) a calcium dependent lectin domain of the selectin (e.g., P-selectin, E-selectin, or L-selectin); or (iii) a fragment of the extracellular domain of the selectin (e.g., P-selectin, E-selectin, or L-selectin) that mediates binding to PSGL-1. In addition to these naturally occurring amino acid sequences, one or more amino acid changes can be introduced into a naturally occurring PSGL-1 binding domain, resulting in a non-naturally occurring sequence that retains PSGL-1-binding function. For example, a polypeptide can contain an amino acid sequence that binds to PSGL-1 and is at least 80%, 85%, 90%, 95%, or 98% identical to any of: (i) an extracellular domain of a selectin (e.g., P-selectin, E-selectin, or L-selectin); (ii) a calcium dependent lectin domain of a selectin (e.g., P-selectin, E-selectin, or L-selectin); or (iii) a fragment of the extracellular domain of a selectin (e.g., P-selectin, E-selectin, or L-selectin) that mediates binding to PSGL-1. Standard molecular biology mutagenesis techniques can be used to

introduce changes into a nucleic acid sequence encoding a PSGL-1 binding domain. Modified binding domains can then be tested for their ability to bind to PSGL-1, e.g., immobilized PSGL-1 or PSGL-1 on the surface of a cell. A binding domain can also contain the PSGL-1 binding domain of an anti-PSGL-1 antibody or a polypeptide selected from a 5 phage display library, or a an amino acid sequence that binds to PSGL-1 and is at least 80%, 85%, 90%, 95%, or 98% identical to the PSGL-1 binding domain of an anti-PSGL-1 antibody or a polypeptide selected from a phage display library.

10 A PSGL-1-binding domain can contain an amino acid sequence that corresponds to a PSGL-1-binding fragment of P-selectin. An example of a polypeptide chain (of a multimeric compound described herein) containing such an amino acid sequence is a recombinant mouse P-selectin/Fc chimera (available from R&D Systems, Minneapolis, MN) containing the following components: (i) CD33 signal peptide (Met1-Ala16); (ii) mouse P-selectin (Trp42-Ala709 of extracellular domain); (iii) IEGRMD (SEQ ID NO:1); and (iv) Human IgG1 (Pro100-Lys330). A second example of a polypeptide chain containing such an amino acid 15 sequence is a recombinant human P-selectin/Fc chimera (available from R&D Systems, Minneapolis, MN) containing the following components: (i) human P-selectin (Met1-Ala771, extracellular domain); (ii) IEGRMD (SEQ ID NO:1); and (iii) Human IgG1 (Pro100-Lys330).

20 A PSGL-1-binding domain can contain an amino acid sequence that corresponds to a PSGL-1-binding fragment of E-selectin. An example of a polypeptide chain (of a multimeric compound described herein) containing such an amino acid sequence is a recombinant mouse E-selectin/Fc chimera (available from R&D Systems, Minneapolis, MN) containing the following components: (i) mouse E-selectin (Met1-Pro557, extracellular domain); (ii) IEGRMD (SEQ ID NO:1); (iii) Human IgG1 (Pro100-Lys330); and (iv) HHHHHH (SEQ 25 ID NO:2). A second example of a polypeptide chain containing such an amino acid sequence is a recombinant human E-selectin/Fc chimera (available from R&D Systems, Minneapolis, MN) containing the following components: (i) human E-selectin (Met1-Pro556, extracellular domain); (ii) IEGRMD (SEQ ID NO:2); (iii) human IgG1 (Pro100-Lys330); and (iv) HHHHHH (SEQ ID NO:2).

30 A PSGL-1 binding domain can contain an amino acid sequence that corresponds to a PSGL-1-binding fragment of L-selectin. An example of a polypeptide chain (of a multimeric

compound described herein) containing such an amino acid sequence is a recombinant mouse L-selectin/Fc chimera (available from R&D Systems, Minneapolis, MN) containing the following components: (i) mouse L-selectin (Met1-Asn332, extracellular domain); (ii) IEGRMD (SEQ ID NO:1); (iii) Human IgG1 (Pro100-Lys330); and (iv) HHHHHH (SEQ ID NO:2). A second example of a polypeptide chain containing such an amino acid sequence is a recombinant human L-selectin/Fc chimera (available from R&D Systems, Minneapolis, MN) containing the following components: (i) human L-selectin (Met1-Asn332, extracellular domain); (ii) IEGRMD (SEQ ID NO:1); (iii) Human IgG1 (Pro100-Lys330); and (iv) HHHHHH (SEQ ID NO:2).

10 A multimeric compound can be formulated as a homo-multimeric compound or a hetero-multimeric compound. A homo-multimeric compound contains only polypeptide chains that have identical PSLG-1 binding domains. For example, a homo-multimeric compound can contain polypeptide chains containing identical PSLG-1-binding fragments of P-selectin. A hetero-multimeric compound contains polypeptide chains that have different 15 PSLG-1 binding domains. For example, a hetero-multimeric compound can contain a first polypeptide chain that contains a PSLG-1-binding fragment of P-selectin and a second polypeptide chain that contains a PSLG-1-binding fragment of E-selectin.

20 A heterologous amino acid sequence can be any amino acid sequence. However, the amino acid sequence of the polypeptide chains described herein does not correspond to the sequence of a naturally occurring protein. A heterologous amino acid sequence contains one or more amino acids that permit the linkage of the polypeptide chains. For example, the one or more amino acids can covalently link, e.g., via a disulfide linkage, the polypeptide chains. One example of a heterologous sequence is an immunoglobulin heavy chain constant region. Disulfide bonding between Fc regions of two polypeptide chains can result in the formation 25 of a dimeric compound.

30 In addition to contributing to the linkage of the polypeptide chains, the heterologous amino acid sequence can also contain a cross-linker binding region, e.g., a cell surface receptor binding region. Upon the binding of an agent to such a binding region, cross-linking of the polypeptide chains and the cell surface PSLG-1 proteins to which they are bound can result. An immunoglobulin heavy chain constant region contains an Fc receptor binding

region. A cross-linker can be, for example, an antibody (e.g., an anti-Fc antibody) that specifically binds to the cross-linker binding region of the heterologous amino acid sequence.

Screening Assays for Compounds that Modulate PSGL-1 Function

5 The invention also encompasses methods for identifying compounds that interact with PSGL-1 (or a domain of PSGL-1) including, but not limited to, compounds that induce T cell depletion and/or T cell apoptosis upon binding to PSGL-1. Also included are compounds that modulate the interaction of PSGL-1 with transmembrane, extracellular, or intracellular proteins that regulate PSGL-1 activity and compounds which modulate PSGL-1 activity.

10 The compounds that may be screened in accordance with the invention include, but are not limited to peptides, antibodies and fragments thereof, and other organic compounds that bind to PSGL-1 and modulate a biological function mediated by PSGL-1, as described herein.

15 Such compounds may include, but are not limited to, peptides such as, for example, soluble peptides, including but not limited to members of random peptide libraries; (Lam et al., *Nature* 354:82 [1991]; Houghten et al., *Nature* 354:84 [1991]), and combinatorial chemistry-derived molecular library made of D- and/or L configuration amino acids, phosphopeptides (including, but not limited to, members of random or partially degenerate, directed phosphopeptide libraries; Songyang et al., *Cell* 72:767-[1993]), antibodies
20 (including, but not limited to, polyclonal, monoclonal, humanized, anti-idiotypic, chimeric or single chain antibodies, and FAb, F(ab')2 and FAb expression library fragments, and epitope-binding fragments thereof), and small organic or inorganic molecules.

25 Other compounds which can be screened in accordance with the invention include but are not limited to small organic molecules that affect an activity of the PSGL-1 protein, as described herein.

30 Computer modeling and searching technologies permit identification of compounds, or the improvement of already identified compounds, that can modulate PSGL-1 expression or activity. Having identified such a compound or composition, the active sites or regions are identified. Such active sites might typically be a binding site for a natural modulator of activity. The active site can be identified using methods known in the art including, for example, from the amino acid sequences of peptides, from the nucleotide sequences of

nucleic acids, or from study of complexes of the relevant compound or composition with its natural ligand. In the latter case, chemical or X-ray crystallographic methods can be used to find the active site by finding where on the factor the modulator (or ligand) is found.

5 Although described above with reference to design and generation of compounds which could alter binding, one could also screen libraries of known compounds, including natural products or synthetic chemicals, and biologically active materials, including proteins, for compounds which bind to a PSGL-1 protein and cause T cell depletion and/or induce T cell apoptosis.

10 In vitro systems may be designed to identify compounds capable of interacting with PSGL-1 (or a domain of PSGL-1). Compounds identified may be useful, for example, in modulating T cell activity as described herein and thus may be useful for the treatment of conditions associated with an excessive or unwanted T cell mediated immune response or excessive or unwanted T cell proliferation such as inflammation, autoimmunity, transplant rejection, an allergic condition, or a T cell cancer.

15 The principle of the assays used to identify compounds that bind to PSGL-1 involves preparing a reaction mixture of PSGL-1 (or a domain thereof) and the test compound under conditions and for a time sufficient to allow the two components to interact and bind, thus forming a complex which can be removed and/or detected in the reaction mixture. The PSGL-1-species used-can vary depending upon the goal of the screening assay. In some situations it is preferable to employ a peptide corresponding to a domain of PSGL-1 fused to a heterologous protein or polypeptide that affords advantages in the assay system (e.g., labeling, isolation of the resulting complex, etc.) can be utilized.

20 The screening assays can be conducted in a variety of ways. For example, one method to conduct such an assay involves anchoring PSGL-1 protein, polypeptide, peptide or fusion protein or the test substance onto a solid phase and detecting PSGL-1 /test compound complexes anchored on the solid phase at the end of the reaction. In one embodiment of such a method, the PSGL-1 reactant may be anchored onto a solid surface, and the test compound, which is not anchored, may be labeled, either directly or indirectly.

25 In practice, microtiter plates may conveniently be utilized as the solid phase. The anchored component may be immobilized by non-covalent or covalent attachments. Non-covalent attachment may be accomplished by simply coating the solid surface with a solution

of the protein and drying. Alternatively, an immobilized antibody, preferably a monoclonal antibody, specific for the protein to be immobilized may be used to anchor the protein to the solid surface. The surfaces may be prepared in advance and stored.

In order to conduct the assay, the nonimmobilized component is added to the coated 5 surface containing the anchored component. After the reaction is complete, unreacted components are removed (e.g., by washing) under conditions such that any complexes formed will remain immobilized on the solid surface. The detection of complexes anchored on the solid surface can be accomplished in a number of ways. Where the previously non-immobilized component is pre-labeled, the detection of label immobilized on the surface indicates that complexes were formed. Where the previously non-immobilized component is 10 not pre-labeled, an indirect label can be used to detect complexes anchored on the surface; e.g., using a labeled antibody specific for the previously non-immobilized component (the antibody, in turn, may be directly labeled or indirectly labeled with a labeled anti-Ig antibody).

15 Alternatively, a reaction can be conducted in a liquid phase, the reaction products separated from unreacted components, and complexes detected; e.g., using an immobilized antibody specific for PSGL-1 protein, polypeptide, peptide or fusion protein or the test compound to anchor any complexes formed in solution, and a labeled antibody specific for the other component of the possible complex to detect anchored complexes.

20 Alternatively, cell-based assays can be used to identify compounds that interact with PSGL-1. To this end, cell lines that express PSGL-1, or cell lines that have been genetically engineered to express PSGL-1 can be used. Cell based assays are particularly useful for evaluating the functional effects of a compound identified by a screen described herein. For example, once a compound is identified based upon its ability to bind to a PSGL-1 protein, 25 the compound can then be tested for its ability to, e.g., induce T cell apoptosis *in vitro* or *in vivo* or deplete T cells *in vitro* or *in vivo*.

Pharmaceutical Compositions

Given that an object of the present invention is to alter an immune response in an 30 individual, a pharmaceutical composition containing, for example, antibodies, multimeric compounds, small molecules, or other compounds that specifically bind PSGL-1

estimate Real Estate Taxes and Tenant shall pay on a monthly basis Tenant's Pro Rata Share of such estimate of Real Estate Taxes. Within sixty (60) days following the end of each year during the Term, Landlord shall furnish to Tenant a statement setting forth the Real Estate Taxes for such preceding year for which Landlord has received a bill, assessment, levy, notice of imposition or other evidence of Real Estate Taxes due or payable. If the actual amount of Tenant's Pro Rata Share of Real Estate Taxes is less than the total estimated amount theretofore paid by Tenant, the excess shall be refunded to Tenant within thirty (30) days of Tenant's receipt of such statement, or, in the case of the last Lease Year of the Term, within sixty (60) days after the expiration of the Term. If the actual amount of Tenant's Pro Rata Share of Real Estate Taxes shall exceed the total estimated amount theretofore paid by Tenant, Tenant shall pay to Landlord, within thirty (30) days following the receipt of Landlord's statement, the total amount of any underpayment of Tenant's Pro Rata Share of Real Estate Taxes.

(c) Contest of Real Estate Taxes. Landlord covenants that it shall, upon receipt of written notice from Tenant, contest the amount of Real Estate Taxes imposed against the Shopping Center as a CAM Charge. Landlord shall be relieved of such covenant in the event other tenants in the Shopping Center occupying more than fifty thousand (50,000) square feet of rentable area in the Shopping Center object in writing to such tax contest after notice thereof. In addition, Tenant shall have the right, at Tenant's sole expense, to contest the amount or validity, or otherwise seek an exemption or abatement, of any Real Estate Taxes, by appropriate proceedings diligently conducted in good faith, provided that Tenant shall first have notified Landlord of its intent to do so and Landlord shall have failed to notify Tenant, within ten (10) days of receipt of such notice, that Landlord intends to contest same.

(d) Reduction in Assessed Valuation of Property. Tenant, at its sole cost and expense, shall have the right to seek a reduction in the valuation of the Premises assessed for Real Estate Tax purposes. In any instance where any such action or proceeding is being undertaken by Tenant, Landlord shall cooperate with Tenant, execute any and all documents reasonably required in connection therewith and, if required by any law, rule or regulation of the taxing authority, shall join with Tenant in the prosecution thereof.

(e) Expenses. Upon the termination of the proceedings set forth in (c) or (d) (unless the taxing authority requires that Real Estate Taxes be paid under protest prior to commencement of such proceedings), Tenant shall pay Tenant's Pro Rata Share of such Real Estate Taxes as finally determined in such proceedings, the payment or partial payment of which may have been deferred during the prosecution of such proceedings. In addition, Tenant shall be solely responsible for any costs, fees, interest, penalties or other liabilities incurred in connection with such proceedings. Tenant shall be entitled to a refund of any overpayment of Real Estate Taxes relating or allocable to the Premises, after deducting therefrom all costs, fees, penalties or interest thereon, which shall be reimbursed to the contesting party. In the event the Real Estate Taxes for the Shopping Center are increased as a result of Tenant's actions contesting or requiring that Landlord contest such Real Estate Taxes then Tenant shall be liable to Landlord for the increase in Real Estate Taxes on the Shopping Center.

10. Maintenance, Repairs and Replacements. Except as set forth below or arising from the negligent acts or omissions or willful misconduct of Landlord (or its agents, employees or other tenants), Tenant shall be solely responsible for maintenance of the exterior and interior of the Building, including, but not limited to, repairs and/or replacements to plumbing, heating, electrical and air conditioning systems, Tenant's storefront, door glass, doors, door closure devices, window and door frames, molding, locks and hardware, and floor covering, but excluding such maintenance to the exterior of the Building for which Landlord shall be responsible in accordance with paragraph 7 above. In the event Tenant is required to repair or replace the HVAC system during the last three (3) years of the Term and the resulting repair or replacement cannot be fully amortized in accordance with generally accepted accounting principles, or the Internal Revenue Code and Regulations, over the remainder of such Term, then Landlord shall reimburse Tenant at the end of the Term (including those Option Periods resulting from Tenants' previous exercise of a Renewal Option, if any) for the amount of such costs associated with the repair or replacement for the period beyond the remainder of the Term. If as a result of such repairs or replacement of the HVAC Landlord would be required to reimburse Tenant for a portion of the cost thereof, Tenant covenants to consult with Landlord prior to the repairs or

replacement and purchase of any such HVAC system and give to Landlord the option, at Landlord's election, to repair or replace and purchase the HVAC equipment at Landlord's sole cost and expense. Landlord shall be responsible for the obligation to repair, replace and maintain the roof, roof structure, flooring system, floor slab and structural damage, defects or weaknesses in load-bearing and structural walls, but shall have no other responsibility for maintenance, repair or replacements to the Premises or any part thereof. Notwithstanding the foregoing, Landlord shall not be responsible for any repairs or maintenance required as a direct result of Tenant's construction defects or deficiencies relating to the Building or Tenant's failure to comply (with respect to the interior of the Premises) with any applicable laws, rules, or regulations, including the Americans with Disabilities Act of 1990, as amended, and related state and municipal laws regarding Tenant's use of the Premises. In addition, Landlord shall not be responsible for Tenant's failure to comply with any applicable laws, rules, or regulations, including the Americans with Disabilities Act of 1990, as amended, and related state and municipal laws regarding Tenant's use of the Premises, if such compliance is required due to a specific change in the use of the Premises by Tenant. Should either party fail to perform its obligations under this paragraph 10, the other may, at its option, effect such maintenance or repairs, provided that such curing party shall have given the nonperforming party thirty (30) days' prior written notice, except in the case of emergencies (in which event only such notice as may be reasonable under the circumstances shall be required). The nonperforming party shall reimburse the other on demand for the reasonable and actual amount so expended, plus interest at the Default Rate. All maintenance, repairs or replacements shall be done by Tenant or Landlord in a manner consistent with the then-existing Shopping Center of which the Building is a part. In order for Landlord effectively to perform its maintenance obligations hereunder, upon payment of the Tenant Improvement Allowance, Tenant shall assign to Landlord any and all manufacturers' and contractors' warranties relating to those elements which Landlord is required to maintain, repair and replace (including a ten year roof membrane warranty) and to the extent same may not be assignable, Tenant shall exercise reasonable efforts (without liability for any loss, cost or expense) to enforce, and shall reasonably cooperate with Landlord in the enforcement of, such warranties. Landlord shall have the right to enter the

Premises during reasonable business hours upon 24 hours prior written notice (or at any time in case of an emergency) for inspection and to make any repairs or replacements required of it to be made; provided, however, that Landlord shall notify the store manager or other person in charge at the Premises, and Landlord's employees, agents, and contractors shall identify themselves to such person upon entering the Premises.

11. Payment of Utility Bills. Tenant will pay directly to the appropriate utility company or governmental agency, when due, all bills for separately metered gas, water, sanitary sewer, electricity, telephone and other public or private utilities used by Tenant with regard to the Improvements. Landlord shall pay when due all utility charges incurred in the operation of the Common Areas and the Shopping Center which are payable by Landlord.

12. Alterations. During the Term, Tenant shall have the right, at its discretion and its sole cost, without obtaining the prior consent from Landlord, to make (i) any non-structural alterations or modifications necessary in order to bring the Premises into conformity with Tenant's then-current prototype for similarly sized stores and (ii) any interior nonstructural alterations or modifications it may desire; provided, however, if such alterations (a) would affect any of the electrical system, plumbing system, or HVAC system, or (b) would adversely affect other tenants located in the Shopping Center, or (c) require the construction of any demising walls or other significant structural improvements to the interior of the Premises, then Tenant must obtain Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed. Tenant shall provide Landlord with ten (10) days prior written notice of any such alterations. With Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, Tenant shall have the right, at its sole cost, to alter, modify or reconstruct the exterior and/or structure of the Building or Improvements. Landlord's withholding of consent as to any structural alteration or modification shall be deemed reasonable only if same would impair the structural integrity of the Building and, as to exterior alterations or modifications, only if same are materially inconsistent with the then-existing architecture of the Shopping Center; provided, however, Tenant's then-current prototype for similarly sized stores shall be deemed to be consistent with the then-existing architecture of the Shopping Center. Notwithstanding the foregoing, Tenant shall not, without Landlord's prior written consent, construct a second story or

expand exterior walls beyond their initially constructed location. Tenant shall cause all such alterations to be lien-free (in accordance with paragraph 13) and made and completed at the cost of Tenant in a workmanlike manner and in compliance with all applicable law. Should Landlord's consent be required, conceptual plans and specifications for such work shall be provided to Landlord prior to commencement of any such work. Without cost or expense to Landlord, Landlord shall cooperate with Tenant in the obtaining of any and all licenses, building permits, certificates of occupancy or other governmental approvals which may be required in connection with any such alterations, and Landlord shall execute, acknowledge and deliver any documents reasonably required in furtherance of such purposes. Tenant shall reimburse Landlord for any actual and reasonable costs, fees and expenses incurred by Landlord in connection herewith.

In addition, Tenant may, from time to time, install, maintain and/or replace any satellite dish or antennas on the roof or parapet of the Building as Tenant deems necessary or desirable, provided same shall not adversely and materially affect the roof, parapet or the structural elements thereof or cause the breach or termination of the warranty given by the roof contractor as described in Exhibit "C". Upon removal by Tenant of any satellite dish or antennas, Tenant shall repair any damage done in connection with such removal. Tenant shall be liable for any damage to person or property caused by it in connection with the installation, maintenance, existence or removal of the satellite dish or antennae, or due to any environmental hazards caused by the presence of such satellite dish for Tenant. Tenant shall be obligated, at Tenant's sole cost, except to the extent any damage thereto is caused by Landlord, to maintain, repair and replace such satellite dish or antennae. Tenant shall exercise reasonable efforts to insure that such satellite dish shall not interfere with the operations of any other tenant in the Shopping Center or any other satellite dish used by another tenant in the Shopping Center. Landlord shall exercise reasonable efforts to ensure that no satellite dish or antennae used by any other tenant in the Shopping Center shall interfere with the business operations of Tenant, or Tenant's satellite dish or antennae. Landlord may request Tenant, at Landlord's sole cost and expense, to relocate the satellite dish or antennae if Landlord is required to do so by law. Landlord shall identify an alternate location on or about the Premises which will comply with such legal requirements and

provide Tenant with adequate reception for its satellite dish or antennae. The initial location of the satellite dish or antennae shall be shown in the Plans and Specifications delivered by Tenant to Landlord. Original installation of the satellite dish or antennae shall be performed in conjunction with the original construction of the roof and with the cooperation of the roofing contractor performing such original construction, as shall be all subsequent modifications thereto, the relocation thereof and the like, it being the intention of the parties that the roof warranty applicable to the Premises shall in no way be adversely affected by the installation of the satellite dish or antennae.

13. Mechanics' Liens. Landlord and Tenant covenant to each other that they will not permit any lien to be filed against the Premises or the Shopping Center as a result of nonpayment for, or disputes with respect to, labor or materials furnished to the Premises or the Shopping Center for or on behalf of Tenant, Landlord or any party claiming by, through, or under Tenant or Landlord, nor shall either party permit any judgment lien or mechanics and materialmen's lien or claim of any nature relating to labor or services rendered, as applicable, to be filed against the Premises or the Shopping Center. Should any judgment lien or mechanics or materialman's lien or claim of any nature relating to labor or services rendered be filed against the Premises or Shopping Center, the party on account of whose actions such lien has been filed shall, within sixty (60) days after receipt of written notice of such lien, cause said lien to be removed by substitution of collateral, posting a bond therefor or such other method as may be permissible pursuant to the Texas Property Code, as amended from time to time, and reasonably acceptable to the other party hereto. In the event either of Tenant or Landlord fails to cause any of such liens to be removed or avoided as aforesaid, within such sixty (60) day period, then such failure shall be deemed an event of default hereunder by the non-defaulting party, and the non-defaulting party may at its option take such actions it deems reasonably necessary to remove such lien, and all costs incurred in connection with the removal and/or avoidance of such lien (including reasonable attorneys' fees), shall be payable to the non-defaulting party, plus interest at the Default Rate.

14. Insurance.

(a) Property Damage. During the Construction Term, Tenant shall keep or require its general contractor to keep, in full force and effect, a policy of "all risk" insurance

covering loss or damage to the Improvements for the full replacement value of all such construction. During the Main Term and all Option Periods, Tenant shall keep in full force and effect, in a form reasonably acceptable to Landlord, a policy of fire and extended coverage insurance covering loss or damage to the Premises in the amount of the full replacement value of the Building thereon, exclusive of excavation, footings and foundations (which initial amount shall be not less than the Tenant Improvement Allowance), with a commercially reasonable deductible, for which Tenant shall be fully responsible. Landlord and Landlord's Mortgagees, as changed from time to time, shall be named in such policy or policies as additional insureds as their respective interests may appear. Tenant shall furnish to Landlord a duplicate certificate of insurance showing insurance existing in such amount.

(b) Liability Insurance. During the Term, Tenant shall keep in full force a policy of commercial general liability insurance with bodily injury and property damage coverage with respect to the Premises and business operated by Tenant, which shall name Landlord and Landlord's Mortgagee as additional insureds as their respective interests may appear. The limits of such commercial general liability policy shall be not less than a Three Million and No/100 Dollars (\$3,000,000.00) combined single limit for bodily injury and property damage, with a commercially reasonable deductible.

(c) Workers' Compensation Insurance. Tenant shall maintain workers' compensation insurance in statutory limits.

(d) Self-Insurance. Notwithstanding anything to the contrary contained herein, Tenant shall have the right to self-insure against any of the risks or portions thereof set forth in subparagraphs (a) and (b) (and to the extent then permitted by law, (c)) above, provided Tenant is then occupying the Premises and has a reported net worth, as of the end of Tenant's most recent quarterly reporting period, of not less than Seventy-Five Million Dollars (\$75,000,000), as computed in accordance with generally accepted accounting principles consistently applied. Tenant agrees to provide Landlord with evidence of such net worth upon request (but not more than twice during any calendar year), and if Tenant fails to do so, then Tenant shall not have the right to self-insure, as set forth herein. As long as the stock of Tenant is publicly traded on a nationally recognized exchange, copies of Tenant's most recently filed quarterly or annual reports, if such reports set forth Tenant's net worth,

shall suffice for such purpose. To the extent Tenant elects to self-insure as provided herein, Tenant agrees to disburse funds in accordance with the terms of this Lease in the same amounts and at such times as would be disbursed pursuant to an insurance policy which would otherwise be required to be maintained by Tenant in the event Tenant had not elected to self-insure against any of the risks or portions thereof set forth in subparagraphs (a), (b) and (c) above, and Tenant shall notify Landlord in writing of such election to self-insure and confirm Tenant's agreement to disburse funds as provided in this Lease. Landlord shall (at Landlord's sole cost and expense without reimbursement from Tenant) have the right, but not the obligation, to purchase insurance that covers the potential loss, damage or liabilities covered by such self-insurance. If and to the extent that Tenant elects to self-insure under this paragraph, Tenant hereby agrees to indemnify, hold harmless and defend Landlord from and against any and all claims, demands, suits, costs, expenses, liabilities and losses that Landlord may suffer or incur as a result thereof and that Landlord would not have incurred but for Tenant's self-insurance. The foregoing indemnification shall include, without limitation, all reasonable attorney's fees incurred by Landlord and any claims arising out of the negligence of Landlord, to the extent same would have been covered by the insurance policies required to be maintained by Tenant under this Lease but for Tenant's election to self-insure. Tenant additionally agrees to provide to Landlord, upon reasonable request, such agreements and documents with respect to Tenant's self-insurance as Landlord or any Mortgagee may reasonably require from time to time.

(e) Common Area Additional Area and Third Party Tenant Insurance and Insurance During Landlord's Construction. During the Term, Landlord shall keep in full force and effect, in form reasonably acceptable to Tenant, policies of (1) commercial general liability insurance, and (2) fire and extended coverage insurance, with respect to the Common Areas and with respect to all other areas of the Shopping Center over which Landlord from time to time has present possessory rights, but which do not constitute a portion of the Common Areas (such areas are sometimes collectively referred to as the "Additional Areas"). The Additional Areas shall include, without limitation: (i) as yet unconstructed portions of the Shopping Center intended for tenant occupancy, (ii) vacated or otherwise uninsured tenant space, whether by reason of lease expiration, default or

otherwise, and (iii) constructed portions of the Shopping Center (excluding furniture, fixtures and equipment within such portions of the Shopping Center, i.e., the building shell finish-out and systems only). Said liability policies shall name Tenant, and any lender, investor or other stakeholder which is designated by Tenant from time to time, as an additional insured to the fullest extent Tenant and such stakeholder have insurable interests. The limits of such policies shall be the same as those set forth in subparagraphs (a) and (b) above, as applicable. The reasonable cost of the premiums for coverages relating to the Shopping Center shall be an element of CAM Charges, provided that Tenant shall not be liable for its Pro Rata Share of any premium for coverage in excess of that coverage which is reasonable or appropriate to cover the risks insured in Landlord's reasonable discretion. In this regard, Landlord agrees to submit bids to at least five (5) insurance carriers selected by Landlord and two (2) insurance carriers selected by Tenant at Tenant's option, with a Best rating of not less than B+X in order to obtain the most reasonable cost for the insurance coverages permitted under this Lease. Landlord shall use its reasonable efforts to assure (through parallel lease provisions or otherwise) that all areas of the Shopping Center, including the Additional Areas and areas leased to third party tenants or sold to third party occupants, are insured with substantially similar coverages to those required for the Premises and the Common Areas, such that in the event of any destruction or damage to any portion of the Shopping Center whatsoever Tenant may be assured that the Shopping Center will be reconstructed in equal or superior condition within the time frame set forth in paragraph 15. During any period in which Landlord is conducting construction activities at the Shopping Center, Landlord shall keep, or cause its general contractor to keep, in full force and effect, with regard to the Shopping Center, in form reasonably acceptable to Tenant, at least the minimum insurance coverages set forth below:

- 1) Workers' Compensation - Statutory Limits; Employers Liability - \$500,000;
- 2) Automotive Liability for all vehicles with limits of \$2,000,000; and
- 3) Commercial General Liability to include premises operations and products/completed operations coverage with limits of \$2,000,000.

Additionally, Landlord shall keep or require its general contractor to keep in full force and effect a policy of builder's risk insurance covering loss or damage to the Shopping Center for the full replacement value of all such construction. To the fullest extent Tenant has an

insurable interest, such liability policy shall name Tenant an additional insured and such builder's risk policy shall name Tenant a party insured to the extent of its insurable interest.

(f) Policy Provisions. All policies of insurance (other than self-insurance) enumerated above shall be provided by insurance carriers with a Best rating of not less than B+X. Any insurance coverage enumerated above may be effected by a blanket policy or policies of insurance or under so-called "all risk" or "multi-peril" insurance policies, provided that the total amount of insurance available with respect to the Building and Tenant's or Landlord's liability hereunder shall be at least the equivalent of separate policies in the amounts herein required, and provided further that in other respects any such policy or policies shall comply with the provisions of this paragraph 14. Landlord shall not be entitled to self-insure against any of the risks recited herein, except the amount of any commercially reasonable deductible shall be deemed to be self-insurance. All policies shall provide that no cancellation of insurance shall be effective until at least thirty (30) days written notice to both Landlord and Tenant. An increased coverage or "umbrella" policy may be provided and utilized by either party to increase the coverage provided by individual or blanket policies in lower amounts, and the aggregate coverage provided by all such policies with respect to the Building and Tenant's or Landlord's liability hereunder shall be satisfactory provided that such policies otherwise comply with the provisions of this paragraph 14. It shall not be necessary for either party to deliver the original of any such blanket or other policy to the other, but the other party shall be furnished with a certificate or duplicate (whichever is requested by the other party) of such policy reasonably acceptable to such other party upon (i) commencement of the Main Term (as to casualty insurance), (ii) upon delivery of the Land (as to liability insurance), (iii) no less than annually thereafter, or (iv) immediately upon the renewal of the policies thereafter or the inception of a new policy.

(g) Waiver of Right of Recovery and Subrogation. Landlord and Tenant hereby agree that to the extent that a loss is covered by insurance or is self-insured (with the deductible under any policy being deemed to be self-insured), they hereby waive any and all rights of recovery against each other for any loss or damage to the Premises or the contents contained therein, for loss of income on account of fire or other casualty, or for injury sustained on the Premises or the Common Areas; and each party's aforesaid policies of

insurance shall contain appropriate provisions recognizing this mutual release and waiving all rights of subrogation by the respective insurance carriers. If Tenant elects to self-insure as provided herein (with the deductible of any policy being deemed to self-insure or the failure by Tenant to obtain an insurance policy being deemed to be an election to self-insure), then the release of claims and waivers of subrogation set forth in this subparagraph (g) shall apply for an amount equal to the full liability, loss or damage which may occur and for which Tenant is responsible under this Lease or at law; provided, that such release and waiver shall not be applicable to, and shall not in any way diminish, Tenant's self-insurance obligations or the indemnification agreement of Tenant set forth in paragraph 14(d) above.

(h) Evidence of Insurance. Subject to Tenant's right to self-insure hereunder, Tenant and Landlord shall cause to be issued to each other appropriate certificates or other evidence of insurance (or self-insurance) evidencing compliance with the applicable covenants of this paragraph 14. Each such certificate shall provide that no expiration, cancellation or material change in the insurance evidenced thereby shall be effective unless thirty (30) days' unconditional notice of such expiration, cancellation or material change shall have been given to the certificate-holder (and any Mortgagee, if applicable).

(i) Indemnities. Except to the extent of any claims, costs, liability, damage or expense arising from the negligent or willful acts of Landlord or its agents or employees (to the extent that subparagraph (g) is inapplicable thereto), Tenant hereby agrees to indemnify, defend and hold Landlord harmless from all claims, costs, liability, damage or expense, including attorneys' fees, for any death, damage or injury to persons or property occurring within the Premises or occurring within the Shopping Center resulting from the use thereof by Tenant, its agents or employees.

Except to the extent of any claims, costs, liability, damage or expense arising from the negligent or willful acts of Tenant or its agents or employees (to the extent that subparagraph (g) is inapplicable thereto), Landlord agrees to indemnify, defend and hold Tenant harmless from any and all claims, costs, liability, damage or expense, including attorneys' fees, for any death, damage or injury to persons or property occurring in, on or around the Shopping Center (exclusive of the Premises) or other buildings within Landlord's Premises or resulting from the use thereof by Landlord, its agents or employees.

15. Damages by Fire or Other Casualty.

(a) Less Than Forty Percent (40%). In the event of an insured fire, earthquake or other casualty, causing destruction or damage to the Improvements, Common Areas and/or Additional Areas, which has a repair and reconstruction cost of less than forty percent (40%) of the then-total replacement cost of any of the Improvements, Common Areas and/or Additional Areas, this Lease shall not terminate except as expressly set forth herein, and Base Rent and other charges shall continue to be paid by Tenant pursuant to the terms of paragraph 4 hereof. Within a reasonable time after such casualty, subject to force majeure, applicable building codes, the procurement of building permits and the receipt of insurance proceeds (unless self-insured) to the extent of the damage to the Premises, or the Common Areas or Additional Areas, as applicable, Tenant shall complete reconstruction of the Building and Other Improvements (including substantially equivalent value in equipment, furniture and fixtures owned by Tenant), and Landlord shall complete reconstruction of the Common Areas and Additional Areas (including substantially equivalent value in equipment, furniture and fixtures owned by Landlord), to that condition existing immediately prior to such casualty, in the reconstructing party's reasonable discretion, with, in the event of any Tenant reconstruction, such alterations as may be permitted under paragraph 12 hereof. In the event, subject to force majeure, the Premises, Common Areas and/or Additional Areas, as applicable, are not substantially repaired and reconstructed by the party with repair and restoration obligations within two hundred forty (240) days after receipt of any required governmental permits, for which permits the party with repair obligations shall make prompt application following such destruction or damage, and insurance proceeds (if not self-insured), then the other party, at its option, by giving written notice to the party with repair obligations, within thirty (30) days after the expiration of said period, may undertake completion of such reconstruction, in which event the party with repair obligations shall make available to the notifying party all applicable insurance proceeds for such reconstruction (including any applicable deductible) or, if self-insured, the amount necessary for such reconstruction and replacement.

(i) Application of Funds. All insurance (or self-insurance) proceeds received on account of such damage or destruction, less the cost, if any, of such recovery,

shall be applied pursuant to the terms of this Lease to the payment of the cost of such restoration, repair, replacement, rebuilding, or alteration (the "Work"), including expenditures made for temporary repairs or for the protection of property pending the completion of permanent restoration, repair, replacement, rebuilding, or alteration, and, if required by any Mortgagee, shall be held by a mutually agreeable third party escrow agent (which is, for these purposes, the "Escrow Agent"), in an interest bearing account in a federally insured financial institution or institutions such that all funds are deposit insured (or otherwise assured in a manner acceptable to the parties), to be paid out, as provided below, from time to time (but no more often than once monthly), as the Work progresses, upon Tenant's written request in event of work by Tenant, or Landlord's written request in event of work by Landlord, accompanied by a certificate of the architect or engineer in charge of the Work (the "Certificate"), dated not more than seven (7) days prior to such request, stating that the sum then requested either has been paid by Tenant or Landlord, as applicable, or is justly due to the named contractors, subcontractors, materialmen, engineers, architects, or other persons (whose addresses shall also be stated) who have rendered services or furnished materials for certain portions of the Work, lien waivers, releases, bills and invoices as Landlord or any Mortgagee may reasonably, request, evidence satisfactory to Landlord and any Mortgagee that all construction work is being and will be performed in accordance with all applicable governmental requirements, and evidence that all construction work is being insured in accordance with the terms of this Lease. The Certificate shall give a brief description of such services and materials, shall list the several amounts so paid or owing to each of such persons, shall state the cost of the Work at the date of the requisition, and shall state that no part of such expenditures has been or is being made the basis for any other request for payment. The Certificate shall state also that, except for the amounts listed therein, there is no outstanding indebtedness known to such architect or engineer, after due inquiry, for labor, wages, materials, supplies, or services in connection with the Work which, if unpaid, might become the basis of a vendor's, mechanic's, laborer's, materialman's, or similar lien upon the Work or upon the Premises or any part thereof.

(ii) Disbursement. Upon compliance with the foregoing provisions of paragraph 15(a)(i), the Escrow Agent shall pay, out of the escrowed funds, to the persons

named in the Certificate the respective amounts stated to be due to them or shall pay to Tenant, in the event of Tenant work, or Landlord, in the event of Landlord work, the amount stated to have been paid by Tenant or Landlord, as applicable; provided, however, that such payments shall not exceed in amount the cost of the relevant Work as stated in the Certificate. If the insurance proceeds or reconstruction funds paid by Tenant or Landlord, as applicable, to the Escrow Agent exceed the amount required to pay the total cost of the Work, the party paying such amount to the Escrow Agent, as applicable, after payment of all costs of the Work, shall be entitled to receive or retain, as applicable, such excess.

(b) Forty Percent (40%) or More. In the event of an insured fire, earthquake or other casualty, causing destruction or damage to the Improvements, Common Areas and/or Additional Areas, which has a repair and reconstruction cost of forty percent (40%) or more of the then-total reconstruction cost of any of said areas, or in the event of any uninsured casualty, Landlord and Tenant each shall have the option of terminating this Lease. Either party shall notify the other of its exercise of such option within sixty (60) days following the occurrence of such casualty and Tenant shall thereupon make available to Landlord the greater of (i) all insurance proceeds actually received by Tenant (or payable by Tenant under this Lease in the event Tenant self-insures) or (ii) the actual cost of repairing and restoring the damaged Improvements to their previous condition, as estimated by an established and reputable shopping center contractor or architect reasonably acceptable to Landlord and Tenant. In the event neither Landlord nor Tenant elects to terminate this Lease as set forth above, then, subject to force majeure, within two hundred forty (240) days after receipt by Tenant of the required governmental permits for restoration, for which permits Tenant shall make prompt application following such destruction or damage, and the payment of insurance proceeds (if not self-insured) with regard to such damage or destruction, Tenant shall complete reconstruction of the Improvements to their condition existing immediately prior to such damage, in Tenant's reasonable discretion, with such alterations as may be permitted under paragraph 12, and shall restore the Premises (including equipment, furniture and fixtures). If Tenant elects to reconstruct the Improvements pursuant to this paragraph 15(b), the provisions of paragraphs 15(b)(i) and 15(b)(ii) shall apply. Should Tenant elect to maintain this Lease in full force and effect, Landlord shall reconstruct all Common Areas

and Additional Areas in the manner specified by paragraph 15(a) above regardless of the amount of damage to same. Additionally, Landlord shall use its best efforts to assure (through parallel lease provisions or otherwise) that all areas of the Shopping Center leased to third party tenants or sold to third party occupants are subject to substantially similar reconstruction obligations to those of the Premises, Common Areas and Additional Areas, such that in the event of any destruction or damage to any portion of the Shopping Center whatsoever, in the event Tenant elects to maintain this Lease in force, Tenant shall be assured that the Shopping Center as a whole will be reconstructed in accordance with this paragraph 15.

(c) Last Two (2) Years of Main Term or Option Period. Notwithstanding anything in this paragraph 15 to the contrary, if any such casualty loss occurs within the last two (2) years of the Main Term or of any Option Period and has a material impact on Tenant's ability to conduct business, as reasonably determined by Tenant, Tenant shall be under no obligation to restore the Improvements, in which case this Lease shall terminate at Tenant's option, and Landlord shall receive the greater of (i) all insurance proceeds actually received by Tenant (or payable by Tenant under this Lease in the event Tenant self-insures) or (ii) the actual cost of repairing and restoring the damaged Improvements to their previous condition, as estimated by an established and reputable shopping center contractor or architect reasonably acceptable to Landlord and Tenant.

16. Condemnation.

(a) Definition of Taking and Substantial Taking. For the purpose of this Lease, a "Taking" shall mean any condemnation or exercise of the power of eminent domain by any authority vested with such power and any other taking for public use, including a private purchase in lieu of condemnation by an authority vested with the power of eminent domain; the "Date of Taking" shall mean the earlier of the date upon which title to the Premises, the Shopping Center or any portion thereof so taken is vested in the condemning authority or the date upon which possession of the Premises, the Shopping Center, or any portion thereof is taken by the condemning authority; and "Substantially All of the Premises" shall mean (i) so much of the Building as, when taken, leaves the untaken portion unsuitable, in Tenant's reasonable opinion, for the continued feasible and economic operation of the

Premises by Tenant for the same purposes as immediately prior to such Taking or as contemplated herein, (ii) so many of the parking spaces within the Shopping Center as reduces the parking ratio below 4.2 per 1000 square feet of gross leasable area in the Shopping Center (but in no event less than the zoning and development ordinance applicable to Shopping Center), and Landlord's failure to provide substantially equivalent alternative parking reasonably acceptable to Tenant within ninety (90) days (with respect to Tenant's Preferred Area) or one hundred eighty (180) days (with respect to the remaining Common Area) after such Taking, or (iii) so much of the Common Area Easement described in paragraph 6 above that access to the Premises is materially and adversely impeded.

(b) Rights Upon Taking or Substantial Taking. In the event of a Taking of Substantially All of the Premises, Tenant may, at its option upon thirty (30) days' written notice to Landlord, which shall be given no later than sixty (60) days following the Taking, have the right to terminate this Lease. All Base Rent and other sums payable by Tenant hereunder shall be apportioned and paid through and including the Date of Taking, and neither Landlord nor Tenant shall have any rights in any compensation or damages payable to the other in connection with such Taking.

(c) Rights Upon Less Than Substantial Taking. In the event of a Taking of less than Substantially All of the Premises, Base Rent and other charges shall be reduced fairly and justly in accordance with the portion condemned or taken, effective as of the Date of Taking, and Tenant shall make all necessary restorations to the Building and the Premises so that the portions of the Building and the Premises not taken constitute a complete architectural unit, provided that the cost thereof to Tenant shall not exceed the proceeds of Tenant's condemnation award (to the extent that such relates to the Premises and not to Tenant's personal property, intangibles or out-of-pocket expenses unrelated thereto) and the portion of Landlord's award allocable to the Premises, which Landlord shall make available to Tenant for such restoration. If required by a Mortgagee, such awards shall be escrowed and disbursed in accordance with the procedure set forth in paragraph 15(a) above. If the Taking occurs within the last two (2) years of the Main Term or of any Option Period and has a material impact on Tenant's ability to conduct business as reasonably determined by Tenant, this Lease shall terminate at Tenant's option.

(d) Rights Upon Temporary Taking. In the event of a Taking of the Premises or any portion thereof, for temporary use, without the taking of the fee simple title thereto, this Lease shall remain in full force and effect, and the Taking shall not relieve Tenant from its duty and obligation fully and completely to keep, observe, perform, satisfy and comply with each and every agreement, term, covenant, condition, requirement, provision and restriction of this Lease. All awards, damages, compensation and proceeds payable by the condemnor by reason of such Taking allocable to Tenant's leasehold interest in the Premises for periods prior to the expiration of this Lease shall be payable to Tenant. All such awards, damages, compensation and proceeds for periods after the expiration of this Lease shall be payable to Landlord. Anything contained herein to the contrary notwithstanding, a temporary Taking for any period in excess of six (6) months may, at Tenant's option, be deemed a permanent Taking and shall be governed by (b) or (c) above, as applicable.

(e) Taking of the Pylon Sign(s). In the event of a taking, whether permanent or temporary, of any pylon or monument sign (as contemplated by paragraph 8) on which Tenant has installed identification panels, Landlord shall provide a substitute site therefor, with adequate electrical power, located so as to be visible to vehicular traffic or roadways adjacent to the Shopping Center and/or at entrances to the Shopping Center, and Landlord shall replace and rebuild any such signage so taken at its sole cost.

(f) Tenant's Right Upon Condemnation. In the event of a Taking described in subparagraph (b) or (c) above, Tenant shall be entitled to claim compensation from the condemning authority for the value of its leasehold interest in the Premises, its unamortized leasehold improvements paid for by Tenant, relocation expenses and any other items to which Tenant is entitled under applicable law.

17. Assignment and Subletting. Provided Tenant is not in monetary default hereunder (subsequent to the expiration of any applicable right to cure) and subject to any exclusive use rights previously granted by Landlord and approved by Tenant in writing (which exclusive use rights Tenant shall not violate in the exercise of any rights under this paragraph 17 or any of the restrictions on Tenant's use as set forth in paragraph 18 below), Tenant shall have the right to sublet, assign, transfer and reassign (a "transfer") all or any

part of the Premises and any of Tenant's rights and obligations under this Lease during the Term upon delivery to Landlord of written notice of such transfer and an assumption agreement executed by an assignee, sublessee or other transferee. Tenant shall remain liable for all of Tenant's obligations to Landlord arising hereunder provided that Tenant shall not be liable for any obligation arising in connection with any agreement, modification, amendment or change to this Lease which is not approved by Tenant in writing and any such agreement, modification, amendment or change to this Lease shall not be binding upon Tenant and shall be deemed to be of no force or effect with respect to Tenant's liability hereunder. Notwithstanding the foregoing, Tenant shall not be permitted to subdivide the Premises into more than three (3) separate areas. Tenant may also grant licenses and/or concessions without the consent of Landlord, provided such licenses and/or concessions comply with the terms of this Lease. Transfers to subsidiaries, affiliates, or related parties, and transfers involving beneficial ownership interests in Tenant shall not be deemed a transfer hereunder and same may be effected without Landlord's knowledge or consent. A sale of all or substantially all of Tenant's assets or a majority of its stores in the State of Texas shall not be deemed a transfer hereunder and may be effected without Landlord's consent, but otherwise shall be subject to the terms of this paragraph 17.

Any assignment or subletting of this Lease shall be executed by the assignor or sublessor and the assignee or sublessee. Each assignee or sublessee shall, for the benefit of Landlord, agree to assume, be bound by, and perform all terms, covenants, and conditions of this Lease to be kept and performed by Tenant after the date of such subletting or assignment. After execution of the assignment or sublease, Tenant will forward a completed copy thereof to Landlord. Landlord shall be entitled to receive an amount equal to one-half of the net amounts received by Tenant in connection with such assignment or sublease in excess of the Base Rent. Such net amounts shall be determined by subtracting the amounts incurred by Tenant for all reasonable costs, fees, charges and expenses, including but not limited to commissions and finish-out costs, incurred by Tenant in the execution of the assignment or sublease and payment of all other amounts due hereunder from the gross amounts to be paid to Tenant under any assignment or sublease.

18. Use. Tenant shall initially maintain, use and operate the Premises as a retail store for (i) the sale of consumer, office and automotive electronics products (which include, but shall not be limited to, televisions, stereos, speakers and video recorders and players), computer hardware and software, entertainment software and entertainment media (which include, but shall not be limited to, records, game cartridges, video tapes, cassettes and compact discs), cellular telephones, household appliances (which include, but shall not be limited to, refrigerators, freezers, stoves, microwave ovens, vacuum cleaners and dishwashers) and related goods and the sale and installation of motor vehicle audio, stereo and telephone systems (all of such items being herein collectively referred to as the "Products"), and (ii) renting, servicing, repairing and warehousing of the Products. Thereafter, Tenant shall have the right to use the Premises for any lawful retail use; provided, however, that the Premises shall not be used (i) for any illegal purpose, (ii) for any use prohibited under paragraph 19(a)(viii) below, (iii) in violation of any exclusive use restriction granted a tenant or other occupant of the Shopping Center pursuant to a lease or restrictive covenants as shown on Exhibit "F", (iv) in violation of any applicable provision of the "Permitted Encumbrances" contained in Exhibit "F", or (v) as a restaurant. Except as may be expressly set forth in this paragraph 18, nothing contained in this Lease shall be construed to require Tenant to operate the Premises continuously either for the use first stated or for any other use.

19. Warranties and Representations.

(a) Landlord represents, warrants and covenants to Tenant that:

(i) Quiet and Peaceful Enjoyment. Landlord and those persons executing this Lease on its behalf have the right and lawful authority to enter into this Lease and perform Landlord's obligations hereunder, and Landlord warrants and represents that, so long as Tenant is not in default hereunder beyond any applicable cure period, it shall have quiet and peaceful use, enjoyment and occupancy of the Premises.

(ii) Title. Landlord's fee simple interest in the Shopping Center is free and clear of any mortgages, deeds, declarations, agreements, leases, tenancies or restrictions, except those matters set forth on Exhibit "F" attached hereto and entitled "Permitted Encumbrances", or any other encumbrances which would restrict Tenant's initial

use of the Premises for the sale of items specifically referred to in paragraph 18 hereof or would restrict in any respect the right of Tenant, its employees, customers, and invitees to use the Common Areas in accordance with the terms of this Lease. Nothing contained in this Lease, including the Permitted Encumbrances and other matters disclosed on Exhibit "F", shall restrict Tenant's rights under this Lease, including but not limited to the right to operate its business in the Premises. Landlord specifically covenants and warrants that no third party, including but not limited to any other occupant of the Shopping Center, has the right to (i) object to Tenant's tenancy hereunder, (ii) prohibit the selling, renting, servicing, repairing or warehousing of the Products, or (iii) approve of or consent to any feature of the Improvements or Tenant's signage. This representation and warranty is a material inducement to Tenant's execution of this Lease.

(iii) Certificate of Authority. Landlord is a duly constituted limited partnership organized under the laws of the State of Texas; that it has the authority to enter into this Lease and perform Landlord's obligations hereunder; and that the party executing this Lease on Landlord's behalf has the lawful right and authority to do so.

(iv) No Litigation. There are no judicial, quasi-judicial, administrative or other orders, injunctions, moratoria or pending proceedings against Landlord or the Shopping Center which preclude or interfere with, or would preclude or interfere with, the construction contemplated in paragraph 2 hereof or the occupancy and use of the Premises for the purposes herein contemplated.

(v) Hazardous or Toxic Materials. Landlord has not used, discharged, dumped, spilled or stored any Hazardous Substances (as defined in Exhibit "C") on or about the Shopping Center, whether accidentally or intentionally, legally or illegally, and has received no notice and has no knowledge that any such condition exists at the Shopping Center. If any such Hazardous Substances are discovered at the Shopping Center which are required to be removed from the Shopping Center under applicable laws, rules, regulations and orders (unless introduced by Tenant, its agents or employees), all costs of removal incurred by Tenant, and all liability imposed upon, or damages suffered by Tenant, because of the same shall be borne by Landlord, and Landlord hereby indemnifies and agrees to hold Tenant harmless from and against all such costs, liability and damages, including,

without limitation, all third-party claims (including sums paid in settlement thereof, with or without legal proceedings) for personal injury or property damage, actions, administrative proceedings, judgments, compensatory and punitive damages, penalties, fines, costs, losses, attorneys, fees (through all levels of proceedings), consultants, or experts, fees and all costs incurred in enforcing this indemnity. This representation, warranty and indemnity shall survive the termination of this Lease.

(vi) Tenant's Exclusive Use. So long as the Premises are used for the sale of Products, no other tenant or occupant of the Shopping Center shall be entitled to use more than 500 square feet of its premises for the sale of Products, rental of consumer, office and automotive electronics equipment, computer hardware and appliances, or repair of the Products, subject only to the rights of Computer City to use its premises for the following uses: (i) the sale, lease, service or supply of any item covered by its exclusive use as described on Exhibit "F", and (ii) the sale, lease, service and supply of any other product or device that has an office, home-office or personal productivity use or application (including, by way of example and without limitation, paper goods, ribbons, calculators, personal organizers, hand-held electronic devices, hand-held computers, copiers, facsimile machines, cellular phones and office furniture). The foregoing exception to Tenant's exclusive use shall be in effect only if any exclusive use provisions of Computer City shall not be applicable to Tenant, and only so long as Computer City is open and operating for business in the Shopping Center.

(vii) Zoning and Subdivision. The Premises and the Shopping Center are presently properly subdivided, in conformity with all applicable laws and zoned so as to permit: (i) the development and operation of the Premises and the Shopping Center in accordance with the provisions of this Lease; and (ii) the initial use of the Premises described in paragraph 18 of this Lease.

(viii) Prohibited Activities. Neither Landlord nor Tenant shall operate or lease (or permit to be operated or leased) any building or tenant space in the Shopping Center for use as (A) a bar, pub, nightclub, music hall or disco in which less than fifty percent (50%) of its space or revenue is devoted to or derived from food service, (B) a bowling alley, (C) a billiard or bingo parlor, (D) a flea market, (E) a massage parlor, (F) a

funeral home, (G) a facility for the sale of paraphernalia for use with illicit drugs, (H) a facility for the sale or display of pornographic material (as determined by community standards for the area in which the Shopping Center is located), (I) an off-track betting parlor, (J) a carnival, amusement park or circus, (K) a gas station, car wash or auto repair or body shop (the parties specifically acknowledge that Tenant's car stereo installation facility is not included in this prohibition (K)), (L) a facility for the sale of new or used motor vehicles, trailers or mobile homes, (M) any use which is illegal or dangerous, constitutes a nuisance or is inconsistent with an integrated, community-oriented retail and commercial shopping center, (N) a skating rink (O) an arcade, pinball or computer gameroom (provided that retail facilities in the Shopping Center may operate or display for sale no more than four (4) such electronic games incidentally to their primary operations), (P) service-oriented offices (such as, by way of example, medical or employment offices, travel agencies, real estate agencies or dry cleaning establishments) or other nonretail uses which are located within three hundred (300) feet from the front entrance to the Building except for (i) offices and storage facilities incidental to a primary retail operation and (ii) an on-site service oriented facility for the pick-up and delivery of laundry and dry-cleaning by the ultimate consumer, including nominal supporting facilities, as the same may be found in similar retail shopping centers in the Plano, Texas metropolitan area (but in no event shall such facility contain or use any laundry equipment, chemicals or detergent or any dry-cleaning equipment, detergent, fluids or other chemicals), (Q) a banquet hall, auditorium or other place of public assembly, (R) a training or educational facility (including, without limitation, a beauty school, barber college, reading room, school or other facility catering primarily to students or trainees rather than customers) within five hundred (500) feet from the front entrance to the Building, (S) a theater of any kind within five hundred (500) feet from the front entrance to the Building, or (T) a gymnasium, sport or health club or spa within five hundred (500) feet from the front entrance to the Building. Nothing in this paragraph shall be deemed to prohibit Landlord from operating or leasing within any building in the Shopping Center a children's recreational facility such as Discovery Zone or Leaps and Bounds, provided such facility is not located within three hundred (300) feet from the front entrance of the Building. Landlord shall not operate, lease or permit to be operated or leased any restaurant within any

building on Landlord's Premises which immediately abuts "Tenant's Preferred Area" (as shown on Exhibit "A") or which is located within three hundred (300) feet from the front entrance to the Building. Notwithstanding the foregoing, Just For Feet, Inc. shall be permitted to operate a restaurant within its leased building so long as such building is open and operating as a Just For Feet store and such restaurant is ancillary to Just For Feet's operations in accordance with its lease with Landlord. In addition, no auction, fire or going-out-of business sale shall be conducted in the Shopping Center.

(ix) Site Covenants. With regard to the development of the Shopping Center and the uses and operations of the Common Areas, Landlord makes the following representations and warranties (the "Site Covenants"):

(A) Building Height and Location. No building adjacent to the Premises shall exceed thirty-five (35) feet in height above finished grade, nor shall it be positioned so as to project beyond the portion of the front wall of the Building immediately adjacent thereto. No outparcels, barriers, buildings, kiosks or other structures, either temporary or permanent, shall be located in Tenant's Preferred Area, and no building located on an outparcel elsewhere in the Shopping Center shall exceed one story, twenty (22) feet in height above finished grade, except for (i) architectural features which shall not exceed twenty-five (25) feet above finished grade, (ii) the Just For Feet building which shall not exceed twenty-seven (27) feet above finished grade, and (iii) the Hoffbrau Restaurant building which shall not exceed its current height above finished grade as of the date hereof. In no event shall any building located on an outparcel exceed the size necessary for such outparcel to maintain, within its boundaries, the parking ratio required for its use under the applicable zoning code without use of parking spaces located in the Common Areas. No development shall occur within the Shopping Center except as shown on the Site Plan.

(B) Construction and Alterations. Following the end of the First Lease Year, no construction shall be permitted in the Shopping Center during the months of October, November and December, except for interior alterations not affecting the operations of any other occupant of the Shopping Center and except for emergency repairs. In the event of any construction within the Shopping Center, Landlord shall designate a construction access route, staging and parking areas located so as to minimize interference

with customers or the operations of other occupants of the Shopping Center and shall require erection of safety barriers as necessary and an opaque wall around the site of such construction. With regard to any construction on Landlord's Premises, Landlord shall be solely responsible for any governmentally imposed impact fees, hook-up, connection, installation or tap-in fees and other, similar construction-related charges, except as same relate to Tenant's Building. Except as permitted in paragraph 7(e), Landlord shall make no changes in the Common Areas (including, without limitation, changes in the location of curbcuts, drive aisles, roadways, sidewalks or parking spaces or reduction of the parking ratio specified in paragraph 5) without Tenant's consent, which Tenant may, in its sole discretion, withhold, provided that Tenant shall not unreasonably withhold its consent to any such change in the Common Areas outside of Tenant's Preferred Area.

(C) Prohibited Uses in Common Areas. Landlord covenants that it shall not, without Tenant's express written consent, permit the following uses or activities to occur in the Common Areas: (1) advertisements or signs except for pylon and/or monument signs described in paragraph 8 or erected for or by each tenant of the Shopping Center, the "for rent" signs described in paragraph 27 and traffic control signs except tenants' identification signs along walkways and the billboard signage shown on the Site Plan; (2) display or sale of merchandise (except for sales of merchandise on the sidewalks located directly in front of the buildings in the Shopping Center), provided that no outdoor sales area shall unreasonably interfere with Tenant's or Tenant's customers' use of the Premises or any portion of the Common Areas; (3) operation of loudspeakers or other sound electronically amplified within Tenant's Preferred Area; or (4) imposition of a charge for parking. Landlord further covenants that it will not seek, nor permit any other occupant of the Shopping Center to seek, a variance or waiver from the minimum parking requirements applicable to the Shopping Center under the zoning code or other applicable ordinance establishing the ratio of parking spaces to building area or otherwise mandating the number of parking spaces required for the Shopping Center and the uses contained therein, except for any variance which is necessary to permit Landlord to maintain the parking ratios described herein.

(x) Interference with Tenant's Reception/Transmission. Landlord shall not install or permit to be installed by Landlord, and shall reasonably attempt to prohibit any other tenant or other person anywhere in the Shopping Center from installing, any radio transmitting equipment which would cause any interference with satellite, radio or television reception or transmission in or from the Building.

(xi) Notices Affecting the Premises. Landlord shall promptly forward to Tenant any notice or other communication affecting the Premises or the Shopping Center, received by Landlord from any owner of property adjoining, adjacent or nearby to the Premises or the Shopping Center or from any municipal or governmental authority, in connection with any hearing or other administrative procedure relating to the use of the Premises, Shopping Center or any such neighboring property.

(xii) Constructive Trust. Landlord covenants that all sums paid by Tenant to Landlord and intended for payment by Landlord to a third party (such as, by way of example, taxes and certain elements of CAM Charges) are given to Landlord in trust and shall be applied only for such third-party payments, as and when due.

(b) Tenant represents, warrants and covenants to Landlord that:

(i) Tenant's Authority. Tenant is a duly constituted corporation organized under the laws of the Commonwealth of Virginia; it has the power to enter into this Lease and perform Tenant's obligations hereunder; and the Vice President executing this Lease on Tenant's behalf has the right and lawful authority to do so.

(ii) Tenant's Warranty as to Hazardous or Toxic Materials. As to Tenant's use and occupancy of the Premises and use of the Common Areas, Tenant will not introduce, discharge, dump, spill or store or permit to be deposited within the Premises or the Shopping Center any Hazardous Substances; and Tenant indemnifies and agrees to hold Landlord harmless from and against all costs, liability and damages as a result thereof, to the same extent that Landlord indemnifies and holds Tenant harmless in subparagraph (a)(v) above. This warranty and indemnity shall survive the termination of this Lease. .

(c) In the event there is a condition at variance with the foregoing representations and warranties of Landlord with respect to the Premises or the Shopping Center which prevents or in any material way inhibits the use of the Premises or any part

thereof or the Common Areas for their intended purposes by Tenant or Tenant's employees, licensees, agents, suppliers, customers or invitees, or if Landlord shall default in the observance or performance of any of the foregoing representations and warranties, then, in addition to such other remedies as may be accorded Tenant at law, in equity or under the terms of this Lease, Tenant may, in addition to its other remedies under this Lease, after thirty (30) days' notice to Landlord (or such additional time as may be reasonably necessary if Landlord cannot reasonably cure its default within such thirty (30) day-period), obtain an injunction or writ of specific performance to enforce such term or covenant, the parties hereby acknowledging the inadequacy of Tenant's legal remedy and the irreparable harm which would be caused to Tenant by any such default. Landlord shall be entitled to a corresponding remedy for breach of Tenant's warranty regarding Hazardous Substances.

20. Estoppel Certificates. Without charge, at any time and from time to time hereafter, within ten (10) days after receipt of written request by either party, the other party shall certify, by written and duly executed instrument, to any present or proposed mortgagee, purchaser, sublessee or assignee, any other individual, partnership, corporation, trust, unincorporated association or joint venture, government or any department or agency thereof, or any other entity ("Person") specified in such request: (a) as to whether this Lease has been supplemented or amended, and, if so, the substance and manner of such supplement or amendment; (b) as to the validity, force and effect of this Lease, in accordance with its tenor as then constituted, to the best knowledge of the party so certifying; (c) as to the existence of any default thereunder, to the certifying party's best knowledge; (d) as to the existence of any offsets, counterclaims, or defenses thereto on the part of such other party, to the certifying party's best knowledge; (e) as to the commencement and expiration dates of the Term; and (f) as to any other matters which may reasonably be so requested. Any such certificate may be relied upon by the party requesting it and any person to whom the same may be exhibited or delivered, and the contents of such certificate shall be binding on the party executing same.

21. Subordination, Nondisturbance and Attornment.

(a) Landlord shall have the right to obtain financing and subject the Property to mortgages, and this Lease shall be subject and subordinate to the lien of any and

all Mortgages (as defined below) now or hereafter encumbering the Premises and placed thereon by Landlord and to all renewals, modifications, replacements and extensions of such Mortgages; provided, however, that the subordination herein contained shall not be effective with respect to any Mortgage unless the holder of such Mortgage (the "Mortgagee") shall execute and deliver a subordination, nondisturbance and attornment agreement, in the form attached as Exhibit "G" with such changes thereto as may be reasonably requested by each Mortgagee and approved by Tenant, providing that, in the event the Mortgage shall be foreclosed or the Mortgagee shall accept a deed in lieu thereof (either of which events shall be a "Foreclosure"), so long as Tenant shall not then be in default beyond any cure period provided herein, and so long as Tenant shall attorn to the Mortgagee or purchaser upon Foreclosure, (i) this Lease shall not terminate by reason of such Foreclosure, (ii) Tenant's possession of the Premises shall not be disturbed, (iii) the Mortgagee or purchaser upon such Foreclosure, its or his successors or assigns, shall recognize Tenant and all its rights hereunder and shall be obligated to fully and completely perform Landlord's duties and obligations under this Lease arising from and after the date of such Foreclosure, (iv) Tenant shall not be named as a party in any action for Foreclosure, and (v) the Mortgagee, whether or not the Mortgage is foreclosed, shall make all net proceeds arising from casualty or condemnation loss to the Premises available to Tenant for restoration of the Improvements in accordance with the terms hereof. Landlord agrees that as a condition to Tenant's subordination of its interest under this Lease, it shall obtain a subordination, nondisturbance and attornment agreement in a form reasonably acceptable to Tenant from all existing Mortgagees simultaneously with the execution of this Lease and from all future Mortgagees within thirty (30) days of the closing of the loan from such Mortgagee to Landlord. As used in this paragraph 21, the term "Mortgage" shall mean any mortgage, deed to secure debt, deed of trust, trust deed or other collateral conveyance of, or lien or encumbrance against, the Premises.

(b) As a part of such subordination, nondisturbance and attornment agreement which Tenant agrees to execute from time to time during the Term, if requested by any Mortgagee, Tenant shall agree to provide to such Mortgagee (simultaneously with notice to Landlord) notice of Landlord's defaults and the same periods for such Mortgagee to

cure such defaults as those provided Landlord herein, together with such agreements as are typically found in subordination, nondisturbance and attornment agreements with institutional lenders as may be satisfactory to Tenant.

22. Change of Landlord. In the event Landlord's interest in the Premises passes to a successor ("Successor") by sale, lease, Foreclosure or in any other manner, Tenant shall be bound to the Successor under all of the terms of this Lease for the balance of the Term with the same force and effect as if the Successor were Landlord under this Lease, and Tenant hereby agrees to attorn to the Successor as its Landlord, such attornment to be effective upon written notice thereof given by Landlord to Tenant, but without the execution of any further instrument on the part of either of the parties hereto immediately upon the Successor's succeeding to the interest of Landlord under this Lease; provided, however, that in order for the foregoing to be effective against Tenant, such Successor must be bound to Tenant in respect of all of Landlord's duties and obligations hereunder subject to the limitation on Landlord's liability in paragraph 31(b), such binding effect on the Successor to be effective and self-operative without the execution of any further instrument on the part of either of the parties hereto (except notice as required above), immediately upon the Successor's succeeding to the interest, duties and obligations of Landlord under this Lease. In the event that Landlord's interest in the Premises passes to a Successor and such Successor is bound unto Tenant as set forth above, Landlord shall be released from all obligations to Tenant hereunder arising after the date Landlord's interest so passes, except that Landlord agrees to indemnify, defend and hold Tenant harmless from and against all claims, loss or damage suffered by Tenant as a result of Landlord's failure to provide Tenant with notice of such Successor.

23. Tenant's Financing. Tenant may, from time to time, provided that Tenant is not then in default hereunder beyond the applicable cure period, secure financing or general credit lines and grant the lenders thereof, as security therefor, (i) a security interest in Tenant's fixtures, personality, inventory and equipment (collectively, "Personality"), (ii) the right to enter the Premises to realize upon any Personality so pledged, and/or (iii) a collateral assignment of Tenant's leasehold interest in the Premises, with rights of reassignment; provided, however, such collateral assignment may be made solely for the purpose of

securing Tenant's indebtedness. If Tenant is not then in default hereunder beyond the applicable cure period, Landlord agrees, upon written request by Tenant, to evidence Landlord's consent in writing to such security interest and assignment, and to give such lenders the same notice and opportunity to cure any default of Tenant as is provided Tenant hereunder (including time to foreclose or otherwise take possession of the Premises, if necessary to effect such cure). In addition, Landlord agrees to use reasonable efforts to cause any Mortgagee specifically to acknowledge the rights of Tenant's lenders described herein and in paragraph 24 below. Notwithstanding the foregoing, any agreement executed by Tenant with any lender covering financing for any of the Personality shall obligate such lender to, upon receipt by such lender of written notice from Landlord that this Lease has been terminated, (i) remove such Personality so pledged within thirty (30) days subsequent to the date of such notice, and (ii) exercise reasonable efforts to prevent damage from occurring to the Building during the removal of such Personality. Such documentation shall also contain a provision to the effect that if Tenant's lender fails to claim the Personality within such thirty (30) day period, then the Personality shall be deemed abandoned and shall become Landlord's property to be disposed of as Landlord reasonably determines.

24. Tenant's Property and Waiver of Landlord's Lien. All of the Personality shall be and remain the personal property of Tenant, removable by Tenant any time prior to, or within thirty (30) days after, the expiration or earlier termination of this Lease and shall be so removed by Tenant at the request of Landlord within thirty (30) days after the expiration or termination of this Lease. Those improvements that are integrated into the physical structure of the Building shall not be removed and shall become the property of Landlord. (A nonexclusive list of Tenant's removable trade fixtures is attached hereto as Exhibit "D".) Tenant agrees promptly to repair any damage to the Premises occasioned by the removal of Tenant's trade fixtures, furnishings and equipment (except for small holes caused by nails, fasteners and the like) and to surrender the Premises broom clean, in as good condition as on the date of Tenant's opening for business therein, ordinary wear and tear, casualty and condemnation excepted. Landlord expressly waives its statutory or common law landlord's lien and any and all rights granted under any present or future laws to levy or distrain for rent (whether in arrears or in advance) against the aforesaid property of Tenant on the

Premises and further agrees to execute any reasonable instruments evidencing such waiver, at any time or times hereafter upon Tenant's request.

25. Memorandum of Lease; Commencement Date Agreement. Landlord agrees, at Tenant's request and Tenant's sole expense, to execute a Memorandum of Lease in recordable form, substantially similar to that attached hereto as Exhibit "H", setting forth such provisions hereof as may be required by Texas law. In addition, Landlord and Tenant shall execute a Commencement Date Agreement in the form attached hereto as Exhibit "I", once the Rent Commencement Date has been established. Recording costs for either or both documents shall be borne by the party requesting recordation of the same. Tenant agrees to execute a release of such Memorandum of Lease on the expiration or earlier termination of this Lease.

26. Holding Over. Tenant agrees that at the expiration of this Lease, it will deliver to Landlord peaceable possession of the Premises. No holding over by Tenant nor acceptance of Base Rent or other charges by Landlord shall operate as a renewal or extension of this Lease without the written consent of Landlord and Tenant. Should Tenant hold over without the consent of Landlord, this Lease shall continue in force from month to month, subject to all of the provisions hereof and at one hundred fifty percent (150%) of the monthly Base Rent Tenant had been paying during the preceding Lease Year.

27. "For Rent" Signs. Tenant hereby permits Landlord during the last one hundred eighty (180) days of the Main Term or of any Option Period, as the case may be (provided that no applicable Renewal Option has been exercised or deemed exercised), to place one (1) "For Rent" or "For Sale" sign, not exceeding six (6) feet by eight (8) feet in size, on the parking lot of the Shopping Center. Tenant will also allow Landlord or its agents, accompanied by a representative of Tenant designated by Tenant, to show the Premises, exterior and interior, to prospective tenants, purchasers, or mortgagees during reasonable business hours by prior appointment, provided same does not interfere with the conduct of Tenant's business.

28. Force Majeure. Except as otherwise specifically contemplated in paragraph 4 of Exhibit "C", in the event that Landlord or Tenant shall be delayed or hindered in, or prevented from, the performance of any act required hereunder (other than the payment of